



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

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Philippines

Trade Policy Monitoring

Tariffs of Agricultural Inputs Modified

2003

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Report Highlights:

Executive Order 196 (EO 196) was issued by President Gloria Macapagal-Arroyo on April 16, 2003 modifying the tariff rates on most agricultural inputs, equipment and machinery for the sole use of importing entities. This takes effect immediately.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Manila [RP1], RP

Executive Order No. 196 (EO 196) was issued by the Executive Office of the President on April 16, 2003 modifying tariff rates on most agricultural inputs to one percent in response to the expiration of Executive Order No. 127 (EO 127) in February 2003.

EO 196 supercedes Executive Order No. 127 (EO 127) and Executive Order No. 133 (EO 133) which implement the tariff-exemption for agricultural inputs as provided for by Section 109 of Republic Act No. 8435 (RA 8435) otherwise known as the "Agriculture and Fisheries Modernization Act of 1997 (AFMA)." Section 109 of the AFMA provides for the duty-free importation of most types of agriculture and fishery inputs, machinery and equipment, provided the imported inputs shall be for the exclusive use of the importing party.

Products now carrying a tariff rate of one percent are pure-bred breeding animals, live poultry for fattening which weigh not more than 185 grams, including ducks, geese, turkey and guinea fowl, chicks for breeding, milkfish or lapu-lapu fry breeders, bird's hatching eggs for breeding, bovine semen, bulbs, tuberous roots, trees, shrubs and bushes, seeds (potatoes, corn, buckwheat, canary, sunflower, cotton, clover, vegetable), flours, meals and pellets, starch residues, feed additives, and prawn feeds. Also newly included in the tariff modification are fertilizers, post-harvest facilities, processing equipment and other agricultural equipment.

The government says that the tariff rates were not put to zero in order to provide a minimum amount of tax earnings. The Philippine government is currently under enormous pressure to control its budget deficit and improve its revenue collection system.

The complete text of EO 196 may be downloaded from http://www.tariffcommission.gov.ph/eo_196.htm .